Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

News Media Information 202 / 418-0500 Fax-On-Demand 202 / 418-2830 TTY 202 / 418-2555 Internet: http://www.fcc.gov ftp.fcc.gov

DA 05-2212

Released: July 28, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR ACQUISITION OF CERTAIN ASSETS OF MCI COMMUNICATIONS SERVICES, INC., FROM MCI, INC., TO vCUSTOMER CORPORATION

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-239

Comments Due: August 11, 2005

Reply Comments Due: August 18, 2005

On July 8, 2005, MCI, Inc. ("MCI") and its wholly-owned subsidiary, MCI Communications Services, Inc. ("MCI Communications") (together, "Transferors"), and vCustomer Corporation ("vCustomer" or "Transferee") (collectively, "Applicants") filed an application pursuant to sections 63.03 and 63.04 of the Commission's rules¹ requesting consent to transfer certain assets of MCI Communications from MCI to vCustomer ("Application").

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to sections 63.03(b)(1)(ii) and 63.03(b)(2)(i) of the Commission's rules. The Transferee, vCustomer, is not a telecommunications provider.² In addition, immediately following the transaction, Applicants and their affiliates combined will hold less than a 10% share of the interstate, interexchange market, will provide local exchange service only in areas served by dominant local exchange carriers (none of which is a party to the proposed transaction), and neither the Applicants nor any of their affiliates are dominant with respect to any service.³

MCI and MCI Communications are organized under the laws of the state of Delaware. MCI Communications is MCI's primary entity for U.S. based sales contracts. It holds MCI's customer contracts for commercial, wholesale, consumer, and the public sector and leases

¹ 47 C.F.R. §§ 63.03, 63.04; see 47 U.S.C. § 214.

² 47 C.F.R. § 63.03(b)(1)(ii).

³ 47 C.F.R. § 63.03(b)(2)(i).

various facilities. It also provides long distance services to MCI's retail consumer and business customer base in all 50 states and the District of Columbia. MCI Communications is currently wholly owned by MCI, Inc. One entity owns 10% or more of MCI, Inc. Through a DOJ-approved insulated trust (the "Thornburgh Trust"), Verizon holds an approximate 13.4% beneficial ownership stake in MCI, Inc. The trustee, former U.S. Attorney General Dick Thornburgh, holds the shares on behalf of Verizon.

vCustomer is organized under the laws of the state of Washington. vCustomer currently provides customer relationship management services to U.S. federal and state agencies and private companies. The following entities own 10% or more of vCustomer: Mr. Sanjay Kumar, a U.S. citizen, 44%; Warburg Pincus International Partners L.P., a U.S. Limited Partnership, 13%; Warburg Pincus Equity Partners L.P., a U.S. Limited Partnership, 13%; West River Capital LLC, a U.S. Limited Liability Company, 16%; and Mr. Gary Brinson, a U.S. Citizen, majority owner of West River Capital LLC and an indirect 16% ownership in vCustomer.

On April 15, 2005, MCI and vCustomer entered into an Asset Purchase Agreement, whereby MCI agreed to sell, and vCustomer agreed to purchase, certain assets of MCI Communications. Pursuant to the terms of the Asset Purchase Agreement, vCustomer will acquire those assets of MCI Communications used to provide directory assistance, operator services, telerelay, internet protocol relay, and video relay services.

Applicants state that the proposed transaction will serve the public interest by allowing MCI to continue to streamline its operations and corporate structure after emerging from bankruptcy, thereby permitting a greater focus on its core businesses. At the same time, the proposed transaction will benefit consumers by allowing vCustomer to expand it suite of consumer and business support services to include directory assistance, operator services, telerelay, internet protocol relay, and video relay service offerings in addition to its existing customer care and technical and back office support services. As a result, of the proposed transaction vCustomer will be in a better position to service the needs of residential consumers, as well as the advanced sales and support needs of telecommunications and media companies.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before August 11, 2005** and **reply comments on or before August 18, 2005**. Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31st day after the date of this notice. Comments may be filed using: (1)

⁴ See 47 C.F.R. § 63.03(a).

Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://www.fcc.gov/cgb/ecfs/ or the Federal eRulemaking Portal: http://www.regulations.gov. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, NE., Suite 110, Washington, DC 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of <u>before</u> entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by WC Docket 05-239, by any of the following methods:

- Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: http://www.fcc.gov/cgb/ecfs/. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, SW, Room CY-B402, Washington, DC 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; email: tracey.wilson-parker@fcc.gov;
- (3) Renee R. Crittendon, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C311, Washington, D.C. 20554; e-mail: renee.crittendon@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.oconnell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Tracey Wilson-Parker, at (202) 418-1394, or Renée Crittendon at (202) 418-2352.